



Changing Location of Assets Policy

Policy Area: Accounting & Financial Reporting	Effective Date: 7/1/1995
Policy Sub Area: Capital Assets	Last Revision Date: 6/30/2017
Authority: G.S. 143D-6	Policy Owner/Division: Statewide Accounting

Policy

Change in Location Within Agency

Prior to changing the assigned location of equipment within an agency, Part A of Form FAS-1 (or equivalent agency form) must be completed. The fixed asset number, description, current building and room number, and the reassigned building and room number must be included on this form. The form must be signed by the Division/Section Manager and transmitted to the Fixed Asset Officer.

The Fixed Asset Officer should approve all location changes. After the location changes are approved, the Fixed Asset Officer will enter the location changes into the Fixed Asset System. Also, a copy of this form will be signed and returned indicating that inventory records have been adjusted.

Transfers Between Agencies

Assets are transferred when they are permanently moved out of one department to another. If the move is temporary, it is treated as an asset on loan to another agency.

No State department, institution, or agency shall transfer any personal property owned by the State between departments without written authorization of the Auxiliary Services Director at State Surplus Property. If assets are to be transferred to another department due to legislative action, approval does not have to be obtained from Surplus Property. The transferred asset is recorded at book value.

If an item is transferred, State Surplus Property will notify the original agency as to which agency received the item.

Removal of Equipment

When requesting removal of equipment from inventory records, complete Part C of Form FAS-1 (or equivalent agency form) indicating the fixed asset inventory number, description of item, present location, and the reason number (indicated on form) for the request. The form must be signed by the Division/Section Manager and transmitted to the Fixed Asset Officer.

UNDER NO CIRCUMSTANCES CAN STATE-OWNED EQUIPMENT BE DONATED, TRADED-IN, OR GIVEN TO ANOTHER ENTITY WITHOUT APPROVAL OF THE STATE SURPLUS PROPERTY OFFICE.

Obsolete, Unserviceable and Unnecessary Equipment

Prior to surplusing equipment, agency personnel must complete Part C of Form FAS-1 (or equivalent agency form). The Fixed Asset Officer will approve and sign the form. The Fixed Asset Officer will enter the location change into the Fixed Asset System to indicate surplus (status code - S) for equipment which is obsolete, unserviceable or no longer needed. This is required whether the asset is physically moved to the State Surplus Property facility in Raleigh or maintained at the agency.

Agency personnel must complete an equipment disposal form in duplicate when an item is being sent to State Surplus Property for sale. The new location in FAS will be Surplus. One copy of the equipment disposal form will be sent to State Surplus Property, and one copy will remain with the Fixed Asset Officer. The Fixed Asset Officer will update the Fixed Asset System.

If another agency needs the surplus property, State Surplus will transfer the asset at a value determined to be reasonable. If other agencies have no need for the asset, State Surplus Property attempts to sell the asset at the highest price possible. This is generally done by offering the asset to the public through sealed competitive bids, or a way determined to be preferable by State Surplus Property. Due to the time it takes to receive the asset, prepare it for sale, and process bids for a large number of items, it can take 3 to 6 months to sell the asset.

The State Surplus Property Office will notify the agencies accounting office in writing when an item is scrapped, junked, cannibalized, or sold. If sold, a check is sent to the agency's accounting office. The Fixed Asset Officer will remove items from the Fixed Asset System based on notifications from State Surplus Property, and will maintain notification on file as documentation. The Fixed Asset Officer will also complete the required Fixed Asset Maintenance forms to remove an item from the inventory.

Replacement of defective equipment under warranty

If an equipment item becomes defective while under warranty and the item is replaced by the vendor/manufacturer, complete Part D of Form FAS-1, indicating the Fixed Asset number of the item to be replaced, description of item, serial number, serial number of the replacement equipment, location, and vendor/manufacturer name. The Fixed Asset Officer will assign a new tag to the replacement equipment.

Trade-Ins

Many times, it is more economical to trade-in an asset than to sell it as surplus property. Where a division/section requests bids for the purchase of a new item and it appears that a trade-in may be advantageous, the solicitation must contain a provision requesting that a trade-in allowance be offered and prior approval by the Director of Auxiliary Services at State Surplus Property is required. The owning Division Director/Manager must obtain authorization in writing from the fixed asset officer before a trade-in can be arranged. After authorization is obtained, attach a copy to Form FAS-1 (or equivalent form) and proceed with the removal of equipment procedure.

Procedures

NA

Accounting Guidance

NA

Related Documents (Memos/Forms)

[FAS-1 Form](#) - Request for Adjustment of Fixed Asset Inventory

[FAS-2 Form](#) - Request for Transfer of Fixed Asset Inventory

Revision History

Date	Description
1/31/2017	Update links
6/30/2017	Updated links